

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re: § Case No. 09-34031-H4-11
§
GOODCRANE CORPORATION § Chapter 11
§
Debtor §

TRUSTEE'S EMERGENCY MOTION FOR ENTRY OF INTERIM AND FINAL
ORDERS APPROVING SECURED SUPERPRIORITY
POST-PETITION FINANCING WITH TEXAS REEXCAVATION LC
PURSUANT TO 11 U.S.C. §364(c)(2) and(d) AND TO GRANT PRIORITY
PURSUANT TO 11 U.S.C. § 364(c)(1)

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN TWENTY-ONE (21) DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

THE TRUSTEE HAS FILED A SEPARATE MOTION REQUESTING EMERGENCY CONSIDERATION.

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Janet S. Northrup, Chapter 11 Trustee ("Trustee") of the estate of GoodCrane Corporation (the "Debtor") files this Emergency Motion for Entry of Interim and Final Orders Approving Secured Superpriority Post-Petition Financing with Texas Reexcavation Pursuant to 11 U.S.C. §364(c)(2) and (d) and to Grant Priority Pursuant to 11 U.S.C. § 364(c)(1) (the "Motion"), and shows:

Jurisdiction and Venue

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §157(b)(A), (D) and (O).
2. Venue is proper pursuant to 28 U.S.C. §1409.

Background

3. On June 5, 2009, the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). On June 30, 2009, the Court ordered the appointment of a chapter 11 trustee (docket no. 31). On July 2, 2009, the Court entered an order appointing the Trustee (docket no. 36).

4. The Debtor is in the business of designing and manufacturing cranes and deck equipment for marine offshore applications. The Debtor’s operations have continued under the direction of the Trustee and the Court-appointed Chief Restructuring Officer. Cranes have been constructed and certified, and orders for new cranes have been obtained.

5. Since her appointment, the Trustee, with the help of the Chief Restructuring Officer, has explored various available options for selling the Debtor’s assets. Significant discussions occurred with several interested purchasers. After negotiation with several parties, the Trustee entered into an Asset Purchase Agreement with Offshore Energy Holding, L.L.C. (“Offshore”), which was approved by the Court on May 12, 2010 (docket no. 363). Offshore failed and refused to close under the agreement, causing substantial damage to the bankruptcy estate. Due to Offshore’s failure to close, the Trustee has negotiated with other potential buyers in an effort to mitigate these damages. The Trustee has signed a Letter of Intent (“LOI”) with Texas Reexcavation LC (“Trex”) under which, subject to the negotiation of a definitive agreement, bid procedures and Court approval, Trex will acquire substantially all the personal

property assets of the Debtor. The Trustee is also reviewing and comparing offers from other potential buyers for both the personal property and real property assets of the Debtor.

6. The LOI provides that Trex has offered to make a loan to the bankruptcy estate in the amount of \$250,000 (the “Trex Working Capital Loan”), on the same terms and conditions (to the extent applicable) as those previously approved by the Court when the Trustee obtained postpetition financing from Offshore (docket no. 346).¹ The Chief Restructuring Officer has advised that cash flow is such that funds will be required to meet the September 2, 2010 payroll. Therefore, the Trustee seeks approval of the Trex Working Capital Loan, to be used solely to sustain operations through the closing of the sale(s) of the Debtor’s assets.

Proposed Post-Petition Financing Facility

7. After due deliberation and consideration of viable alternatives, the Trustee determined that it is in the best interest of the bankruptcy estate to obtain post-petition financing from Trex pursuant to the terms of the proposed order submitted with this Motion (the “Trex Financing Order”).

8. The bankruptcy estate is unable to obtain unsecured financing; therefore, Trex agrees to extend the Trex Working Capital Loan in return for a super-priority claim under 11 U.S.C. § 364(c)(1) and a first priority lien on property of the estate under 11 U.S.C. §364(c)(2) and (d). The Trex Working Capital Loan shall be used solely for the purpose of funding the working capital needs of the bankruptcy estate until closing of the sale(s) of the Debtor’s assets, and will be secured by all of the assets of the Debtor, subordinate only to the Permitted Liens listed on Schedule 1, which include liens granted under any Memorandum of Understanding or amendment thereto approved by the Court between the Trustee, on the one hand, and Stabbert

¹ Offshore forfeited all right to be repaid the previously-approved financing (docket no. 417).

Marine, CVI Global Lux Oil and Gas S.À.R.L., or Otto Candies, LLC, respectively, on the other hand. Trex is extending credit in good faith as that term is utilized in 11 U.S.C. § 364.

9. The Trex Working Capital Loan shall be subordinate to the priority status of the working capital loan previously made by Karl Winter, which has been approved by this Court by interim and final orders on docket nos. 435 and 455 respectively, and subject to all other subordination and restrictions set forth in those orders.

10. Creditors holding liens on property of the estate will receive adequate protection under 11 U.S.C. §364(d)(1)(B) as such creditors will be paid their allowed secured claims from the proceeds of the sale(s), which proceeds will far exceed any amounts owed on the Trex Working Capital Loan.

11. The Trustee seeks interim and final orders of the Court approving the loan with Trex to enable the bankruptcy estate to use such loan proceeds for working capital needs until the sale(s) of the assets can be accomplished. The Trustee and Trex agree to the lending terms and conditions contained in the attached proposed Trex Financing Order.

WHEREFORE, Janet S. Northrup, Trustee respectively requests that this Court enter an interim order as allowed under Federal Rule of Bankruptcy Procedure 4001(c)(2) and a final order after appropriate notice, authorizing her to obtain financing pursuant to the terms of the attached proposed Trex Financing Order, and grant the Trustee such other and further relief as may be appropriate under the circumstances.

DATED: August 23, 2010.

Respectfully Submitted,

/s/ Wayne Kitchens

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ATTORNEYS FOR JANET NORTHRUP,
CHAPTER 11 TRUSTEE

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing was served via first class U.S. Mail, postage prepaid, and/or by ECF upon the parties listed on the attached service list on August 23, 2010.

/s/ Wayne Kitchens

Wayne Kitchens

Schedule 1

Permitted Liens

Liens in favor of taxing authorities for ad valorem and business property taxes in the aggregate approximate amount of \$500,000.

Lien in favor of Texas Workforce Commission in the approximate amount of \$48,000, as reflected in the State Tax Lien recorded in/under Clerk's File No. 20090074649 in the Real Property Records of Harris County, Texas.

Potential federal tax lien for Section 941 taxes for the period ended 6/30/07, in the approximate amount of \$1200.

Mechanics' liens, workmen's liens, carriers' liens, repairmen's liens, and landlord's liens.

Statutory liens for any tax assessment or governmental charge or levy that is not overdue.

Any liens granted in any Memorandum of Understanding approved by the Bankruptcy Court.

Master Service List

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Twenty Largest Unsecured Creditors

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